



PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE APPLICATION OF: JEFFREY P. BEZOS *ET*
AL.

APPLICATION NO.: 09/437,815

FILED: NOVEMBER 10, 1999

FOR: **METHOD AND SYSTEM FOR
ALLOCATING DISPLAY SPACE**

EXAMINER: JEFFREY D. CARLSON

ART UNIT: 3622

CONF. NO: 8505

Reply Brief Under 37 C.F.R. § 41.41

Commissioner for Patents
P.O. Box 1450
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Sir:

This Reply Brief responds to the Examiner's Answer mailed on December 29, 2005 in the above-identified application.

I. Introduction

Applicants wish to reply to comments in the Examiner's Answer. The Examiner makes several fundamental mistakes in interpreting Roth. First, Roth's "bid selection logic" does not change bids as the Examiner suggests. Second, Roth does not describe the changing of a "proposed bid" as the Examiner also suggests. More fundamentally, Roth does not change any bids, proposed or actual. Roth does describe that "the bid amount will be increased as need [sic] to maintain the desired level of buying." However, this is not changing any bids. Rather, Roth is simply stating that a bidding agent will submit high bids so that more advertisements are placed. The bidding agent does not change any bid—it simply establishes a bid to be submitted. There is no "system-increase of a low proposed bid" as the Examiner suggests. Because of these misinterpretations, the Examiner's conclusions as to anticipation and obviousness are wrong.

II. Argument

A. Roth's "Bid Selection Logic" Does Not Change Bids

The Examiner's position rests on a fundamental misunderstanding that Roth's bid selection logic changes bids. In particular, it is the Examiner's position that

the bid selection logic [of Roth] changes the bids in order to slow down or speed up the impression rate of a particular ad so that the ad selection process may be influenced to "maintain the (optimum) level of buying."

(Examiner's Answer, p. 16, emphasis added.) The Examiner is wrong. Roth's bid selection logic does not change bids. Rather, Roth's bidding agents when presented with a view-op [display space] decide whether to submit a bid. Each bidding agent that decides to bid on a view-op submits a bid to the bid selection logic. Roth's bid selection logic always selects the maximum bid submitted by a bidding agent. The maintaining of "the desired level of buying" that the Examiner refers to is performed by a bidding agent, and not by the bid selection logic.

Roth illustrates "bid selection logic" 16C and "bidding agents" 30A-30Z in Figure 1. "Bidding agents 30 in turn decide which bids to submit to bid selection logic 16C....It [bid selection logic] compares various bids received from bidding agents 30 in order to determine which advertisement to display." (Roth, 4:36-41.) Figure 6C of Roth illustrates the processing of the bid selection logic. Blocks 634 and 635 illustrate that the processing of the bidding agents and the submitting of their bids. Block 641, which states "PICK MAXIMUM BID," starts the processing of the bid selection logic. Roth states the following when referring to block 641:

(This following is the process where bid selection logic 16C in view server 620 picks the best bid) Block 641: Pick maximum bid.

(Roth, 16:65-67, emphasis added.) The bid selection logic thus performs a function similar to an auctioneer in a manual auction of identifying the winning bidder as the participant who bids the highest amount. In addition, an auctioneer in a manual auction would not change any bids, and similarly, Roth's bid selection logic does not change any bids.

Roth explains that a bidding agent "maintains the desired level of buying" when defining the terms Minimize Bid and Maximum Bid Price. (Roth, 8:29-40.) In particular, when the Minimize Bid option is set, a bidding agent will

try to bid the minimum amount necessary to maintain the level of buying that will ensure the desired number of impressions during the time allotted...it will never be increased beyond the maximum bid.

(Roth, 8:35-40.) The Maximum Bid Price is

the maximum amount that can be specified when placing bids on behalf of a bidding agent. (See Minimize Bid).

(Roth, 8:29-31.) A bidding agent, as its name suggests, is a computer program that works on behalf of an advertiser to determine what amount to bid for display space for that advertiser and to submit the bid for the appropriate display space.

A bidding agent also does not change a bid. Rather, a bidding agent determines the minimum amount to submit as a bid to the bid selection logic.

B. Roth Neither Teaches Nor Suggest That "Proposed Bids" or "Actual Bids" are Changed

The Examiner's position is also based on a fundamental misunderstanding that Roth includes "system-controlled changes to advertiser's proposed bids." (Examiner's Answer, p. 16.) Roth uses the term "proposed bid(s)" approximately 90 times. At no point, does Roth suggest that "proposed bids" are changed. According to Roth, a proposed bid

is an offer to pay a particular amount for the opportunity to provide an advertisement in response to a view-op that has certain characteristics. If a view op satisfies the criteria specified in a proposed bid an actual bid (called a bid) is submitted to the bid selection logic 16C.

(Roth, 8:44-48.)

As described above, the Minimize Bid option and the Maximum Bid Price are used by bidding agents to determine the amount to bid. At no point, does Roth suggest

that the determining of the amount to bid changes a "proposed bid." A bidding agent does not change a proposed bid; it simply determines what amount to bid.

C. Roth Already Has The Advantage That The Examiner Suggests in The Motivation For Combining With Davis

Applicants are puzzled by the Examiner's suggestion that Roth and Davis can be combined by putting "the plural winning ads of Davis et al on the page of Roth et al." (Examiner's Answer, p. 20.) A suggested motivation for combining Roth and Davis is to "generate additional revenue by placing multiple ads on one page." (Examiner's Answer, p. 19.) Roth, however, already suggests that a web page can have multiple view-ops and thus multiple ads. For example, Roth states "providing advertisements to HTML references from a web page." (Roth, 20:14-15.) Since Roth already suggests multiple ads on a web page, which the Examiner suggests has the corresponding advantage of "additional revenue," this could not be a motivation for combining Davis with Roth as the Examiner suggests.

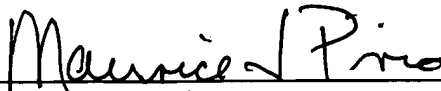
Davis describes the ordering of search results based on bid amounts. Applicants can think of no reason why one would modify Roth to replace the selection of advertisements for view-ops with search results that are ranked. Indeed, Roth is totally unrelated to searching or search results. The Examiner has provided no reason to replace Roth's ads with Davis's ranked search results.

The Examiner appears to suggest that another justification for combining Roth and Davis is to take advantage of Roth's "optimization system which influences the selection of ads." (Examiner's Answer, p. 19.) Applicants would first like to point out that Roth nowhere uses the term "optimization system." Applicants do not know why the Examiner is referring to Roth as having an "optimization system." More importantly, the Examiner is suggesting that the Roth's bid selection logic and bidding agents be replaced by Davis's technique for selecting "plural winning ads." But, this suggested replacement would eviscerate the Examiner's suggested justification for combining Davis and Roth.

In particular, without Roth's bidding agents there would be not way to influence "the selection of ads within campaigns that are behind schedule in order to 'maintain the level of buying.'" (Examiner's Answer, p. 19.)

Respectfully submitted,
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